

BEFORE THE ARIZONA CORPORATION



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BOB STUMP

Chairman

GARY PIERCE

Commissioner

BRENDA BURNS

Commissioner

BOB BURNS

Commissioner

SUSAN BITTER SMITH

Commissioner

Arizona Corporation Commission

DOCKETED

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IN THE MATTER OF THE APPLICATION
OF MONTEZUMA RIMROCK WATER
COMPANY LLC FOR APPROVAL OF
CUSTOMER HIGH WATER USE
NOTIFICATION TARIFF, METER REPAIR
AND /OR REPLACEMENT TARIFF, AND
WATER SYSTEM TAMPERING TARIFF

DOCKET NO. W-04254A-14-0347

DECISION NO. 74816

ORDER

Open Meeting
November 5 and 6, 2014
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. Montezuma Rimrock Water Company, LLC ("MRWC" or "Company") is certificated to provide water service as a public service corporation in the State of Arizona.

2. On September 23, 2014, MRWC filed with the Arizona Corporation Commission ("Commission") an application for approval of Best Management Practice ("BMP") Tariffs.

3. On October 3, 2014, MRWC filed a request that the 30-day requirement for Commission action on the tariffs be waived to provide Staff more time to complete its review.

4. In its filing, the Company is requesting Commission approval to implement the water conservation measures listed below.

Customer High Water Use Notification Tariff – BMP 3.7: A program for the Company to monitor and notify customers when water use seems to be abnormally high and provide information that could benefit those customers and promote water conservation.

1 **Meter Repair and/or Replacement Tariff – BMP 4.2:** A program for the Company
2 to systematically assess all in-service water meters (including Company production
3 meters) in its water service area to identify under-registering meters for repair or
4 replacement.

5 **Water System Tampering Tariff – BMP 5.2:** The purpose of this tariff is to
6 promote the conservation of groundwater by enabling the Company to bring an action
7 for damages or to enjoin any activity against a person who tampers with the water
8 system.

9 **Staff's Analysis**

10 Background Information and Service Area Characteristics

11 5. MRWC is a Class D water utility providing service to approximately 215 metered
12 connections in a community near Rimrock which is located approximately ten miles northeast of
13 Camp Verde in Yavapai County. The Company's service area is approximately 3/8 of a square mile in
14 size. The MRWC System serves primarily residential customers and is not located in any Arizona
15 Department of Water Resources' ("ADWR") Active Management Area.

16 6. According to the Company the Customer High Water Use Notification Tariff will
17 create a notification process for customers when water use escalates and allows MRWC the ability to
18 provide information to its customers promoting water conservation. The Meter Repair and/or
19 Replacement Tariff will allow the company a program to assess and replace under-registering meters
20 for repair or replacement. Over half of MRWC's meters are over ten years old and some are not
21 operating. The Water System Tampering Tariff will promote groundwater conservation by enabling
22 the Company to bring an action for damages or to enjoin any activity against a person who tampers
23 with the water system. This allows MRWC, which has had to deal with meter tampering, the ability to
24 mitigate or eliminate tampering.

25 Proposed Tariffs

26 7. Staff created a set of BMP tariff templates that were developed using the BMP
27 descriptions outlined in the ADWR Modified Non-Per Capita Conservation Program and relevant
28 ADWR documents. ADWR representatives were provided with a copy of these templates, revisions
29 were made to the templates where appropriate to incorporate any comments/suggestions provided by
30 ADWR. The tariffs proposed conform to the templates developed by Staff.

Recommendation

8. Staff has concluded that the BMPs proposed are relevant to the MRWC service area characteristics. The tariffs proposed by MRWC conform to the templates developed by Staff. Staff has recommended approval of the BMP tariffs filed by the Company on September 23, 2014, attached to the proposed order as Exhibit A.

CONCLUSIONS OF LAW

1. Montezuma Rimrock Water Company, LLC is a public service corporation within the meaning of Article XV, Section 2, of the Arizona Constitution.

2. The Commission has jurisdiction over Montezuma Rimrock Water Company, LLC and of the subject matter of the Application.

3. The Commission, having reviewed the filing and Staff's Memorandum dated October 17, 2014, concludes that it is in the public interest to approve the proposed BMP tariff attached hereto as Exhibit A.

ORDER

IT IS THEREFORE ORDERED that Montezuma Rimrock Water Company, LLC's Water BMP tariffs, attached hereto as Exhibit A, are hereby approved.

IT IS FURTHER ORDERED that Montezuma Rimrock Water Company, LLC shall notify its customers, in a form acceptable to Staff, of the BMP tariffs authorized herein and their effective date by means of either an insert in the next regularly scheduled billing or by a separate mailing and shall provide a copy of the BMP tariffs to any customer upon request.

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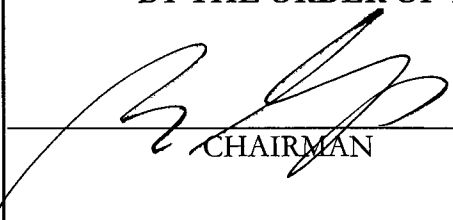
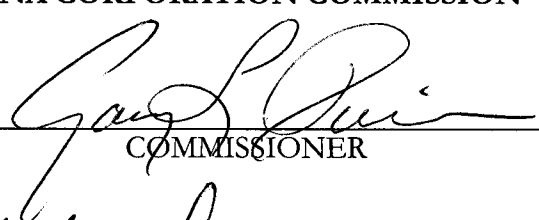



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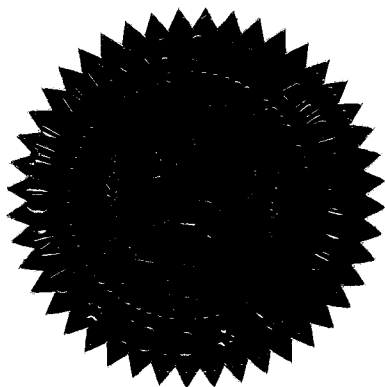
1 IT IS FURTHER ORDERED that Staff shall file a letter in the Docket confirming that the
2 Montezuma Rimrock Water Company, LLC tariffs have been updated with the tariffs approved
3 herein.

4 IT IS FURTHER ORDERED that Montezuma Rimrock Water Company, LLC's BMP tariffs
5 authorized herein shall go into effect 30 days after the date notice is sent to customers.

6 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

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8 **BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

9
10  CHAIRMAN  COMMISSIONER
11
12  COMMISSIONER  COMMISSIONER  COMMISSIONER
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IN WITNESS WHEREOF, I, JODI JERICH, Executive
Director of the Arizona Corporation Commission, have
hereunto, set my hand and caused the official seal of this
Commission to be affixed at the Capitol, in the City of
Phoenix, this 13th day of November, 2014.

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JODI JERICH
EXECUTIVE DIRECTOR

DISSENT: _____

DISSENT: _____

SMO:MT:sms\CHH

1 SERVICE LIST FOR: Montezuma Rimrock Water Company, LLC
2 DOCKET NO. W-04254A-14-0347

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EXHIBIT A

Company: Montezuma Rimrock Water Company LLC

Decision No.: _____

Phone: 928-592-9211

Effective Date: _____

Customer High Water Use Notification Tariff – BMP 3.7**PURPOSE**

A program for the Company to monitor and notify customers when water use seems to be abnormally high and provide information that could benefit those customers and promote water conservation (Modified Non-Per Capita Conservation Program BMP Category 3: Outreach Services Program 3.7: Customer High Water Use Notification).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company shall track water usage for each customer and notify the customer if water use seems excessive for that particular billing for that time of the year.
2. The Company shall identify customers with high consumption and investigate each instance to determine the possible cause.
3. The Company shall contact the high water use customers via telephone, email, by mail or in person. The Company shall contact the customer as soon as practical in order to minimize the possible loss of water. The customer will not be required to do anything to receive this notification.
4. In the notification the Company shall explain some of the most common water usage problems and common solutions and points of contact for dealing with the issues.
5. In the notification, the customer will be reminded of at least the following water-saving precautions:
 - a. Check for leaks, running toilets, or valves or flappers that need to be replaced.
 - b. Check landscape watering system valves periodically for leaks and keep sprinkler heads in good shape.
 - c. Adjust sprinklers so only the vegetation is watered and not the house, sidewalk, or street, etc.
 - d. Continue water conservation efforts with any pools such as installing covers on pools and spas and checking for leaks around pumps.
6. In the notification, the customer will also be reminded of at least the following ordinary life events that can cause a spike in water usage:
 - a. More people in the home than usual taking baths and showers.
 - b. Doing more loads of laundry than usual.
 - c. Doing a landscape project or starting a new lawn.
 - d. Washing vehicles more often than usual.
7. The Company shall provide water conservation information that could benefit the customer, such as, but not limited to, audit programs, publications, and rebate programs.
8. The Company shall assist the customer in a self-water audit and assist the customer in determining what might be causing the high water usage as well as supply

Company: Montezuma Rimrock Water Company LLC

Decision No.:

Phone: 928-592-9211

Effective Date:

customer with information regarding water conservation and landscape watering guidelines. As part of the water audit the Company shall confirm the accuracy of the customer meter if requested to do so by the customer (applicable meter testing fees shall apply).

9. The type of notification, the timing of the notification (i.e., how long after high water use was discovered by the Company), and the criteria used for determining which customers are notified shall be recorded and made available to the Commission upon request.

Company: Montezuma Rimrock Water Company LLCDecision No.: Phone: 928-592-9211Effective Date:

Meter Repair and/or Replacement Tariff – BMP 4.2

PURPOSE

A program for the Company to systematically assess all in-service water meters (including Company production meters) in its water service area to identify under-registering meters for repair or replacement (Modified Non-Per Capita Conservation Program Best Management Practice Category 4: Physical System Evaluation and Improvement 4.2 Meter Repair and/or Replacement Program).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. On a systematic basis, the Company will inspect 100 percent of its 1-inch and smaller in-service water meters at least once every ten years for one of the following reasons (whichever occurs first):
 - a. A meter reading complaint is filed with the Company by a customer or Arizona Corporation Commission Staff,
 - b. A meter has registered 1,000,000 gallons of usage,
 - c. A meter has been in service for ten years.
2. Meters larger than 1-inch shall be inspected for one of the following reasons:
 - a. A meter reading complaint is filed with the Company by a customer or Arizona Corporation Commission Staff,
 - b. A meter has been in service for five years.
3. The inspection will be accomplished by having the meter pulled and having a Company Technician physically inspect each meter and its fittings for leaks, registers which may have become loose or are not properly attached to the meter and could be under-registering or other broken parts which need repair. In addition, meters shall be randomly selected for flow testing to identify potentially under-registering meters.
4. The Company shall also replace or reprogram any water meters that do not register in gallons. Upon the effective date of this tariff, the Company shall install all replacement meters with new:
 - a. 1-inch and smaller meters that register in 1 gallon increments,
 - b. 1-1/2-inch through 4-inch meters that register in 10 gallon increments, and
 - c. 6-inch and larger meters that register in 100 gallon increments.
5. The Company shall keep records of all inspected and replacement meters and make this information available to the Commission upon request.

Company: Montezuma Rimrock Water Company LLC

Decision No.: _____

Phone: 928-592-9211

Effective Date: _____

WATER SYSTEM TAMPERING TARIFF – BMP 5.2**PURPOSE**

The purpose of this tariff is to promote the conservation of groundwater by enabling the Company to bring an action for damages or to enjoin any activity against a person who tampers with the water system.

REQUIREMENTS:

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission, specifically Arizona Administrative Code ("AAC") R14-2-410 and the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. In support of the Company's water conservation goals, the Company may bring an action for damages or to enjoin any activity against a person who: (1) makes a connection or reconnection with property owned or used by the Company to provide utility service without the Company's authorization or consent; (2) prevents a Company meter or other device used to determine the charge for utility services from accurately performing its measuring function; (3) tampers with property owned or used by the Company; or (4) uses or receives the Company's services without the authorization or consent of the Company and knows or has reason to know of the unlawful diversion, tampering or connection. If the Company's action is successful, the Company may recover as damages three times the amount of actual damages.
2. Compliance with the provisions of this tariff will be a condition of service.
3. The Company shall provide to all its customers, upon request, a complete copy of this tariff and AAC R14-2-410. The customers shall follow and abide by this tariff.
4. If a customer is connected to the Company water system and the Company discovers that the customer has taken any of the actions listed in No. 1 above, the Company may terminate service per AAC R14-2-410.
5. If a customer believes he/she has been disconnected in error, the customer may contact the Commission's Consumer Services Section at 1-800-222-7000 to initiate an investigation.